Hiroshima. The Japanese minister of war, for example, at first refused even to admit that the weapon used at Hiroshima was an atomic bomb. "Even after both bombs had fallen and Russia entered the war, Japanese militants insisted on such lenient peace terms that moderates knew there was no sense even transmitting them to the United States," Maddox writes. Only after the intercession of Emperor Hirohito did Japan finally surrender.

ECONOMICS, LABOR & BUSINESS

The Retail Revolution

"Change at the Check-out" by Michael Reid, in *The Economist* (Mar. 4, 1995), 25 St. James St., London, England SW1A 1HG.

The retail business once seemed fairly simple: the humble merchant chose from the goods available from manufacturers and wholesalers, then offered the array to his customers, at prices largely determined by the manufacturers. Not any more, reports the *Economist*'s Reid. "In the past 15 years, retailing has undergone a many-sided revolution from which it has emerged as a leader in business innovation and the management of complexity. Top retail firms are now run by polished professionals" and exercise enormous sway over both manufacturers and consumers.

Retail firms have grown, first at home, more and more abroad, into some of the largest companies on earth. The Wal-Mart discount chain, launched in 1962 when founder Sam Walton opened a store in Rogers, Arkansas, is now the world's biggest retailer, ahead of Metro, a diversified German chain. Wal-Mart, with more than 2,500 stores, had receipts of more than $67 billion in 1993, making it, in terms of sales, the fourth largest American company. (If it sustains its rapid growth, by 2000 the firm may be the largest company in the world.) Today, Wal-Mart's sales revenues outstrip those of its main suppliers. Similarly, each of Europe's top half-dozen food retailers has greater sales than any of the Continent's food manufacturers except Nestlé and Unilever.

"The traditional supply chain, powered by manufacturer 'push,' is becoming a demand chain driven by consumer 'pull,' " Reid writes. "Retailers have won control over distribution not just because they decide the price at which goods are sold, but also because both individual shops and retail companies have become much bigger and more efficient. They are able to buy in bulk and to reap economies of scale, mainly thanks to advances in transport and, more recently, in information technology."

Using sophisticated computer systems, retailers can now find out right away "what they are selling in each of hundreds of stores, how much money they are making on each sale and, increasingly, who their customers are," Reid notes. No longer must a retail firm keep stock that may not sell or run out of items customers want. Exploiting their closeness to the customers, retailers have passed the devilish risk of maintaining inventories to manufacturers.

Growth has been accompanied by concentration. The gap between the front-running retailers and the rest has widened. America's top 70 nonfood retailers accounted for well over half of total sales of general merchandise, clothing, and furniture in 1993, a 10 percent increase over their share a decade earlier. Bankruptcies in U.S. retailing have gone up sharply during the 1990s.

"As most of the easy pickings have gone, large American retailers now find they can gain market share only at each other's expense," Reid observes. And increased competition is not retailers' only worry: "What if new technology allows their customers to dispense with stores altogether? What if consumers find they can do their shopping from home?" In short, there just might be *another* retail revolution on the horizon.

The Myth of the Miserable Union Worker

"A Re-examination of the Relationship between Union Membership and Job Satisfaction" by Michael E. Gordon and Angelo S. DeNisi, in *Industrial and Labor Relations Review* (Jan. 1995), 201 ILR Research Bldg., Cornell University, Ithaca, N.Y. 14853–3901.

Are union members more unhappy with their jobs than others are? Economist Richard Freeman in 1978 found that union members were less happy but were also less inclined to leave their jobs. He saw that as a strength: through contract negotiations and grievance procedures, union workers were able to express their discontents and improve their working lives. Nonunion workers' main option was to quit. Most later research has supported Freeman's findings.

Gordon and DeNisi, of Rutgers University's School of Business and Institute of Management and Labor Relations, respectively, object that the earlier research was based on national surveys and did not adequately take into account the possibility that the union members' working conditions actually were worse. Pursuing this line of thought, the Rutgers researchers examined three surveys in which union and nonunion employees worked together.

A 1986 survey of 188 public-sector employees in an "agency shop" (in which workers must pay a fee about equal to union dues but do not have to join the union) and a 1980 survey of 1,578 federal workers who operated in an "open shop" (in which neither union membership nor dues are required as a condition of employment) produced the same result: no connection between job satisfaction and union membership. So did a 1989–90 survey of 721 Rutgers professors, of whom about 64 percent belonged to the local chapter of the American Association of University Professors.

It is true, Gordon and DeNisi acknowledge, that unions generally do try to bring worker discontents to the fore during an organizing campaign. Once they have been chosen to represent workers, however, they have every incentive to make workers happier with better wages and working conditions. Studies of both private- and public-sector unions, the authors point out, have shown "that workers who were most satisfied with their jobs also tended to be most satisfied with their union."

SOCIETY

Welfare Cowboys

"Storm over the Rockies" by Karl Hess, Jr., in *Reason* (June 1995), 3415 S. Sepulveda Blvd., Ste. 400, Los Angeles, Calif. 90034–6064.

The sagebrush rebels in the American West who oppose wetlands regulation and higher grazing fees and who imagine themselves at war with the federal government (or did at least before the sobering tragedy of the Oklahoma City bombing) conveniently overlook their own extensive reliance on that same government. What these ranchers, miners, and others mainly want, argues Hess, a writer affiliated with the Foundation for Research on Economics and the Environment in Bozeman, Montana, is to keep "federal lands . . . safe for ranchers and ranching."

The 28,000 public-land ranchers, Hess points out, do not object to "the myriad programs and subsidies [through which] the federal government has made sure that cattle stay king on the western range." (Little more than one-third of the West is in private hands, and the federal government lays claim to most of the rest.) For decades, Washington has paid